



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

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Lieutenant Governor

March 1, 2004

CERTIFIED RETURN RECEIPT  
7099 3400 0016 8896 0310

Robert Steele  
1055 North 400 East  
Nephi, Utah 84648

Subject: Division Directive, Small Mining Operation 5-Acre Threshold Exceeded,  
Robert Steele, HiCal Mine, M/023/071, Juab County, Utah

Dear Mr. Steele:

As you know, on February 20, 2003, the Division confirmed that your Hi-Cal project had exceeded the five-acre threshold for a small mining permit. A GPS survey of the project area totaled 5.6 acres of surface disturbance. You filed a large mine permit application that was subsequently reviewed by the Division. Our initial technical review document was sent to you on July 18, 2003. We received your response to this document on September 8, 2003.

We subsequently reviewed your response and sent you a second technical review document on November 4, 2003. On January 27, 2004, a meeting was held to discuss your response to our remaining technical concerns.

The Hi-Cal mine remains an active site, has exceeded five acres of surface disturbance, yet is not bonded or permitted as a large mine site. This is a violation of the Utah Mined Land Reclamation Act and the Administrative rules.

Accordingly, the Division hereby issues the following directive:

**DIVISION DIRECTIVE**

1. Within 30 days from your receipt of this letter you must post a \$20,000 transitional surety to cover the reclamation costs for six acres of mining-related surface disturbance (\$5,000 x 1st acre + \$3,000 x 5 acres). A transitional Reclamation Contract must also accompany the surety (MR-TRC enclosed). When you decide on the form of surety you wish to post, please contact Joelle Burns at 801-538-5291 to obtain the current bonding form. When your large mining permit has reached the tentative approval stage, the surety amount may

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have to be adjusted either up or down depending upon the final cost estimate as calculated for the final reclamation plan. A final reclamation surety amount and Reclamation Contract must be provided to the Division, before final approval can be granted.

2. Within 30 days of your receipt of this notice, the boundaries of the current disturbed area must be outlined in the field, using metal T-posts, or other markers of equal effectiveness.
3. Within 60 days of your receipt of this notice, submit the remaining technical information outlined in our November 4, 2003 review letter (copy enclosed) to complete the large mine permitting process.

**Please be advised that you are not authorized to expand beyond the current 5.6 acre disturbed area until the LMO is approved and a final surety is in place.**

If these Directive timeframes are not met, we may pursue more formal enforcement action as authorized under state mining statutes and the administrative rules.

Thank you for your cooperation and immediate attention to this matter. We wish to work cooperatively with you to complete this permitting action in a timely manner and avoid any further enforcement action. If you have any questions regarding this Directive, please contact me at (801) 538-5286, or Tom Munson at (801) 538-5321.

Sincerely,



D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

DWH:TM:jb

Enclosure: MR-TRC, copy of 11/4/03 review letter

cc: BLM, Sherri Wysong  
Mary Ann Wright, Associate Director  
Tom Munson, DOGM

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